

FABIAN QUARTERLY

SUCCESSOR TO N F R B QUARTERLY

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FABIAN SOCIETY

11, Dartmouth Street, S W 1

FABIAN RESEARCH

QUARTERLY REPORT

PRE-WAR WORK

Like every other society magazine at the present, we have to begin by explaining the arrangements that we have been forced by the war to adopt. The complete change in the organisation of economic, social and political life has meant, of course, that for immediate practical purposes much of our pre-war work was out of date before it was finished. A minority however is unaffected by temporary irrelevance and is being proceeded with; Polly Hill's work on *The Unemployment Services* is being published by Routledge in the course of the winter; C. P. Mayhew's pamphlet on *Planned Investment* has already been announced in *Fabian News*; Charles Smith's book on *Food Policy* is completed. Besides these, two local government tracts are being given their final touches prior to publication, a report on *Local Government Finance* and one by W. H. Marwick on *Local Government in Scotland*, while it is hoped to proceed with the work on *Government Control of Industry* under the supervision of Dr Robson. Beyond these our pre-war programme is in a state of temporary suspension.

WAR ARRANGEMENTS

G. D. H. Cole has already outlined the attitude we are taking towards war time research in an article in *Fabian News*, and our organisation of work is following his suggestions pretty closely. It is appropriate that our first war-time publication should be a tract by him on *The Home Front in War-Time* which develops the argument further and by discussing the problem of organising democracy opens up numerous lines for research.

Work has already begun in observing the workings of E P A and the controls being set up under those powers, and a panel of observers is being enrolled to hold watching briefs over spheres of work of which they have special knowledge and to send in periodical reports to the office. A detailed questionnaire will shortly be sent out to members so that those who are on local government bodies, food committees, etc., can be kept in touch with the office and their experiences used as a check on the workings of these bodies—similarly of course the office will try to advise any of these members anxious to know their rights.

WAR AIMS COMMITTEE

This new name disguises the old International Section strengthened and enlarged. Leonard Woolf is continuing to

direct operations and Mrs Cole and Dr Rita Hinden are dividing the secretarial work. The committee has already planned and is beginning work on an extensive programme. It has decided that proposals for the kind of Europe we want to get from the war can only come as a result of careful historical work on the previous breakdown, and a series of memoranda are being prepared both on European problems and on the colonies, some of which may later develop into publications. Besides these, studies are being made on Federal Union from a socialist viewpoint and on inter-allied economic machinery at the present time as compared with 1914-18, while H. N. Brailsford is working on a pamphlet on the Indian Situation, and Zilliacus on Relations with the U.S.S.R.

LOCAL GOVERNMENT SECTION

Here again the section has been enlarged and a programme of work has been drawn up. Much of this, of course, is dominated by evacuation problems and a questionnaire on the varying arrangements made by individual authorities for executive action and democratic control is being drawn up and will be sent out to members concerned as soon as possible. Work is also being started on Health Services, Nutrition, Community Problems and Housing, while close contact is being maintained and work shared with the Labour Party's Educational Advisory Committee.

MISCELLANEOUS

Further work on home problems is still in process of being planned and nothing definite has emerged yet, but arrangements are being made for a detailed study of industrial and financial control and price policy, and it is hoped to be able to keep watch on international trade and the workings of the blockade.

Events are still moving so rapidly that it is impossible to say with any greater detail along what lines research will develop; as can be seen from the notes above we have made an ambitious plan; how successful it is will depend largely on the co-operation of members.

The General Secretary will be glad to supply further information on the research and other activities of the Fabian Society to anyone applying at the Office, 11 Dartmouth Street, S W 1 (WHI 3077), and it is hoped that any members willing to help in any way with the Society's activities will not wait to be asked, but will come forward and say so. Correspondence regarding the *Quarterly* should be sent to the Editor, H. D. Hughes, at the same address.

R. P.

THE PROGRESS OF GOVERNMENT CONTROL

Margaret Cole

It is a commonplace that war on a national scale between modern states is in its essence a totalitarian activity, that no country, whatever its nominal structure, can wage a war without giving its Government very wide powers over the economic structure and the life of its citizens. During the first world war Great Britain only discovered this fact by stages; the difference between 1914 and 1939 is shown by the instant imposition, through a great number of little Doras, of a system or systems of control as extensive as that in force by 1917-18. The purpose of this article is to give the facts, in so far as they are known, about the assumption and exercise of controls during the first seven weeks of war, to show to what extent (*a*) the economic life of the country and (*b*) the individual lives of its citizens, were immediately brought under the hand of the Government.

The study is necessarily in the main structural. Time alone will show how the powers which have been assumed are exercised in practice, though we have already, in seven weeks, had sufficient experience to become alive to some of the dangers which must be watched. On the general dangers of bureaucracy it is unnecessary for Socialists to lay much stress. Newspapers of the Beaverbrook type can be trusted to take care of that, as witness the disproportionate outcry which has followed that inept, but not overwhelmingly important mushroom, the Ministry of Information. No country in the world could create a vast Governmental machine, operated by hundreds of thousands of individuals of ordinary capacity, without creating also a bureaucracy and making many purely bureaucratic errors and muddles. In the present situation, moreover, these inevitable muddles are accentuated by the fact that the war has been so slow in starting, and that arrangements made upon the assumption of immediate and extensive bombing have had to be suddenly modified. This could hardly have been foreseen. The real dangers, however, are, first, of a bureaucracy directed by the military mind at its worst, the type which wishes to 'bring home the facts of war' to the civilian, and which enjoys issuing arbitrary orders and prohibitions for their own sakes; and secondly—a danger very present in this country—of a

bureaucracy which is in fact insufficiently bureaucratic, which is merely big business under another name, and which directs in accordance with the interests of big business while giving either none or only nominal say to the interests of the workers either as labour power or as consumers and citizens. Already there are signs that both these developments are taking place.

LEGISLATION

The framework under which the wartime order is being established is contained in the Civil Defence Act passed on 13 July 1939, and in forty other Acts passed at the beginning of the war. The Civil Defence Act itself, however, has been largely superseded by the Emergency Powers (Defence) Act of 1 September, which is the basis for most of the Defence Orders and other machinery set up since the war started. The E P A is the Act which legalises the Defence Regulations made by the King by Order in Council and sets out the limits within which they must keep. The Defence Regulations in their turn legalise and limit the various orders made by Ministers and Secretaries of State. Broadly speaking E P A authorises regulations being made allowing for entries and arrests without warrant, detentions without trial, the commandeering or controlling or buying of any property or undertaking (with the exception of land) and the amendment or suspension of any Act on the Statute Book. Other important Acts provide for the repair of buildings and plant which have been damaged while in use as air raid shelters; for the procedure for paying compensation to the owners of commandeered property; and for paying allowances to civilians injured by enemy action (Workmen's Compensation does not apply to such injuries).

The purpose of these Acts is twofold: first, to authorise the setting-up of new Ministers, Councils and controls of various sorts, which are empowered to run the economic and civil life of the community, in so far as it is taken into Government hands, and secondly to supply the authority for an immense mass of Orders and Regulations which during the early weeks of the war were issued so fast that the Government printing presses were unable to keep up with the demand for copies.

Thus there were early set up new Ministries, of Information, Home Security, National Service (incorporating the Ministry of Labour), Food, and Economic Warfare, the first of which, having incurred considerable unpopularity with the Press, is now being partly liquidated. These were followed by the Ministry of Shipping. The Ministry of Supply, with a large number of

Departments for various commodities, was set up on 4 September, and is obviously bound to become a factor of immense importance. (The suggestion that it will employ 20,000 typists gives some indication of the size which is contemplated.) In addition, existing Ministries have created special Boards for wartime purposes. From all of these bodies emanate a stream of Orders and Regulations, and under many of them local and regional controls function with varying policy and varying degrees of success.

MINISTRY OF SUPPLY

Clearly, of the new Ministries, the most important for the economic life of the country are those of Supply and Food. The subject of food is dealt with in a later section; in the case of Supply, though the information about its working is still meagre, it seems that the control exercised is not at all satisfactory, and very much open to the second of the criticisms mentioned in the opening paragraphs. It is not that the Minister does not possess enormously wide potential powers; it is that he does not apparently intend to use them, and that where they are used there is a tendency to hand them over to an existing capitalist organisation to administer. Becoming a Department of the Ministry of Supply does not necessarily involve a change of function or heart, and though the Iron and Steel Department of the Ministry now fixes maximum prices by Government Order, it is difficult to discover any other way in which it differs materially from the former Iron and Steel Federation. The Aluminium Control and the British Aluminium Company, to take another example, share the same salubrious country hotel. A leopard does not change its spots by changing the heading of its notepaper, and the avowed intention of the Minister has been 'to apply the element of control lightly in the first place, with every effort to prevent any disturbance of useful work . . . while utilising to the full the men in the industry who have made a lifetime study of these particular commodities.' (Mr. Burgin's speech in House of Commons, 22 September.) Compare also Sir Kingsley Wood, asked on 27 September whether the Government intended taking control of the aircraft industry: 'No, sir, I do not contemplate that it will be either necessary or desirable for the Government to take over the direct control of the aircraft industry.' Moreover, the arrangements for the consultation of Labour made by the Ministry were extremely unsatisfactory. Neither the large Munitions Supply Council, nor the thirteen Area Officers (referred to by Arthur Greenwood as 'ex-engineer Admirals'), included any Trade Union representatives.

This defect has been partly remedied by setting up a joint advisory council of employers and Trade Unionists, and there is no doubt that the pressure of the T U C and the driving necessity of meeting the claims of Labour, if the sixteen thousand munitions factories mentioned in the speech of 22 September are to be kept at work, will have their effect. Nevertheless, the methods adopted at the outset are not hopeful for the future in other branches of life.

The Ministry of Supply does not control the supply services for the three fighting Departments, but each can use its machinery in so far as it wishes. Up to the time of writing, the War Office has made much the greatest use of the Ministry; but it is obvious that there is room for a good deal of confusion and overlapping in this system of dual control, as well as in other matters.

ECONOMIC CONTROL

The Orders which give the Minister of Supply his powers are only some among the general mass whose effect is to give to the Government potential control over all the economic and material resources of the community. These Orders are issued under the Defence Regulations, made under the Emergency Powers Act, and their scope is very wide. Land and property can be commandeered at will and practically without notice. Maximum prices may be, and in many cases have been, fixed for essential commodities, and their buying and selling by private firms and individuals restricted. Power has been taken to control any article at any point in its progress from raw material to final consumption. Private undertakings engaged in 'essential' work, and public utility undertakings, can be regulated, inspected, their charges controlled and their structure reorganised. If necessary they can be taken over and their stocks commandeered and disposed of.

Apart from the railways, which were taken over on the outbreak of war, the requisitioning of land and property has so far been confined to non-industrial concerns, of which by far the most numerous have been schools, colleges, hotels and other institutions. The Government have commandeered land and buildings (including a certain number of private houses) partly for civilian shelters, but much more for the housing of military and administrative bodies, such as the British Broadcasting Corporation, and their staffs. The procedure adopted has shown militobureaucracy at its worst, in the abruptness of the orders, and the lack of

imagination or the most elementary consideration for the convenience of anyone other than the requisitioning officials. Hotels and educational institutions have so far been the chief sufferers. The intention of the Government, as stated by the Home Office, is 'to do everything possible within the limits laid down by Parliament to compensate those who have suffered'; what those limits are is, however, rather obscure. Section I of the Compensation (Defence) Act seems to provide compensation for seizure of land, of property other than land, and for work done on the land; it is very doubtful whether it provides any compensation for loss of livelihood, either for proprietors of businesses or for their employees.

The meaning of the word 'essential', while not precise, is clear enough. 'Essential' means services essential for the defence of the realm or the prosecution of war or essential to the life of the community'; i.e. it means what the Government from time to time declares, like Humpty Dumpty, to be essential; and those who have recollections of the last world war will not need to be told that many strange commodities will enter that list. So far, the tale of commodities which have been brought by Order under control as regards both their prices and their buying and selling, is considerable, though nothing like comprehensive. Apart from articles of food, the list includes paper, silk, wool, flax, jute, rayon, hemp, iron and steel, coal, tin, copper, lead, zinc, aluminium, timber, hides and skins, molasses, industrial alcohol and certain chemicals. Cotton is in process of discussion.

A typical example of the treatment of a controlled commodity is the Orders relating to timber. Under these Orders a Department of the Ministry of Supply, called the Timber Control, is to exercise control in two stages, the first of which is to operate until the final control has been set up. No one is to sell growing trees for felling in excess of a thousand cubic feet. The sale or purchase of timber for consumption is prohibited with some exceptions. Maximum prices are prescribed and the Minister may call for returns. A system of licences for the sale and felling of growing trees and for consumers of timber is set up, and all export of timber is prohibited except under licence.

The Orders imposing the different controls for the most part follow much the same lines. The first purpose is to give the Government first claim on the supplies of the particular material. The Silk Order, for example, states in its first clause that 'no person shall acquire or dispose of any raw silk, waste silk, silk noils or silk noil yarns, situate in the United Kingdom, on or at any time after the date on which this Order comes into force'. Secondly, they lay down exceptions to the general prohibition,

which are intended to protect the business of carriers and warehousemen; thirdly, they lay down maximum prices for various categories of the material; and fourthly they take powers to demand information from the firms concerned with its production, marketing, etc. In a large number of cases, of which hemp, silk and jute may be taken as samples, private dealings are entirely suspended except for warehousemen and carriers; in others, such as paper, a list of authorised merchants has been issued; in others, such as flax and rayon, dealings are allowed freely provided the maximum prices are observed; in yet a fourth category, which includes aluminium and industrial alcohol, trading is allowed under licence, but no maximum prices have as yet been fixed.

Large powers seemed to be taken in the Priority of Work Order issued by the Ministry of Supply, which gave any Government Department the right to ask the Ministry for a priority certificate enabling it to obtain supplies of labour and materials; but up to the present little has been made of the Order, and according to an article in *The Times* of 13 September it is only intended to use it in the case of real difficulty arising out of competing claims.

Transport

The 11 main railway companies were taken over by the Ministry of Transport on 1 September, and are to be administered by a Railway Executive Committee of six members—none representing trade unions. On the 3rd, privately owned railway waggons were requisitioned, and those private waggons which continue to be employed for private business have to pay waggon hire. The immediate result of the imposition of this control was an immense confusion on the railways, a curtailment both of suburban and of main-line trains, the total disappearance of restaurant and buffet cars, and a general lack of punctuality. Some of these defects are in process of remedy.

Docks and harbours are controlled by the Ministry of Transport through the Port Emergency Committee, which has authority to 'regulate, facilitate and expedite' the traffic at any port. Goods which are left lying about on quays or in sheds may be removed and a penalty charged; and warehouses with vacant accommodation may be compelled to disclose it, with a view to requisitioning. No ocean-going ship may put to sea without a licence from the Shipping Department of the Board of Trade, and no fishing vessel, other than a rowing boat, without a licence from a Port Fishing Officer. Road transport has not been directly

taken over; there is power to requisition lorries, buses, private cars, etc., on payment of compensation; but the main Governmental interference with road transport has taken place under the scheme of petrol rationing. Under that scheme the basic allowance of petrol was fixed so as to provide an average travelling capacity of 150 miles per month, this to be supplemented by special ration books for commercial firms and travellers, taxis, doctors and others who could somehow wangle themselves on to the list. There was much confusion over the initial operation of the scheme, which had in fact to be delayed for a week, and is still very unequal as between different types of consumer. (Petrol hoarding is subject to penalty, but here, again, the operation of the law is haphazard.) Secondary results of the rationing have been the curtailment and in some cases total suspension of bus services, and a decline in the number of taxis. The general impression is that the Government—or possibly the War Office—wishes to reduce the mobility of the population to a minimum.

Foreign Trade

As a matter of course, immediately upon the outbreak of war, all foreign trade becomes the direct concern of the Government, both as director of economic life and more immediately as controller of cargo space. Accordingly,

(a) Trading with the enemy is forbidden. No trader, ship-owner, etc., will be allowed to transact business or have any dealings with enemy nationals without specific permission, which will only be granted in exceptional cases: trading includes paying, lending or sending money or securities, discharging debts, or supplying goods. (A list of 'enemies' has been issued by the Board of Trade.) All money, dividends, securities, rents, etc., payable in peace time are to be handed over to the Custodian appointed by the Board of Trade, under whose charge they will be held until the war is over.

(b) Prohibition of exports. Under the Export of Goods (Prohibition) Order the Board of Trade has prohibited the export without licence, in some cases to any destination, and in others to specified destinations, of a large number of commodities, of which a printed list is issued from time to time. There is strong suspicion that the energies of the Board of Trade, in this respect, are directed rather to the immediate and violent control of exporters than to the necessities of export trade, although it was stated officially on 18 October that 'the Government are anxious to assist exporters in every possible way'. There is no general system of permits or priorities for the allocation of materials in

force, but there are many difficulties, and it appears, from enquiries at the Ministry of Economic Warfare, that it is no one's business to consider the expansion or redirection of our export trade. If, as the Government asserts, it is preparing for a three years war, the positive side of overseas commerce should surely have received some more effective attention.

(c) Imports, primarily imports of what are conceived to be 'luxury' goods, have been drastically restricted by Orders made under the Imports, Exports and Customs Powers Act. The main Order deals both with luxury goods and goods of which the home supply is considered to be adequate, so that there is no necessity to use up foreign exchange, which may later be required for more essential commodities, in their purchase. The principal categories of goods covered by the Order are pottery and glass, cutlery, clocks and watches, textile goods and apparel (including footwear), certain chemicals and paints, soap, office machinery (including typewriters), motor cars, musical instruments, perfumery and toilet requisites, toys and games and 'luxury goods'. In all these cases import is prohibited save under licence from the Board of Trade; there is at present no definite information available as to the extent to which licences are being granted.

Summary

Summarising the above facts, one may fairly say

(1) That the first few days of the war gave the Government potential powers of controlling the whole of the economic life of the nation.

(2) That apart from immediate war measures these powers, in so far as they relate to 'products necessary for the prosecution of the war', have up to the time of writing been used only to a moderate extent.

(3) That, except where the War Office and the War Office mentality has been allowed to have its head—as in the case of requisitioning—the tendency has been to allow the controls to be operated by the same persons who operated the productive units in peace-time, i.e. the capitalist combines, and to permit the minimum of interference by Labour either in its producing or its consuming capacity. (The announcement, on 18 October, of an Economic Coordinating Committee, to be presided over by the Chairman of the L M S, does not substantially alter the case.)

(4) That, as regards foreign trade, the short-term view has prevailed, and that there is little real consideration of the problem of paying for Britain's supplies of food—supposed, according to

Mr Churchill's broadcast speech, to be now comparatively safe from submarine menace—by means of exports.

FINANCE

State control of financial operations is in the main regulated under the Defence (Financial) Regulations. Their purpose is (a) to secure to the Treasury control of all necessary supplies of gold, sterling, foreign currency, securities, etc., in order to provide for the import of essential goods; (b) to prevent private dealing in money or foreign securities; and (c) to control the capital market. To secure these ends the Treasury is in the first place compiling a list of all foreign securities held by residents of the United Kingdom. In the second place, all owners of any class of securities which the Treasury consider to be marketable outside the United Kingdom may be required to make a return of them to the Bank of England, and the Treasury may acquire any such securities.

No one may deal in gold or foreign currency without Treasury permission, and no one, save under special exemption, may take or send out of the country currency or any security negotiable for currency. Travellers from the United Kingdom have to declare anything of the kind which they are carrying with them, and may be searched by the 'appropriate officer'; they are, however, allowed to take out any sum reasonably required for personal expenses; and such reports as are available seem to indicate that the Treasury regulations are elastic enough to meet the convenience of firms trading abroad.

All gold or foreign currency held by residents in the United Kingdom must be offered for sale to the Treasury. This gives the Government entire control of the gold resources of the country; in addition, the gold reserve of the Issue Department of the Bank of England has been transferred to the Exchange Equalisation Account. This change serves the double purpose of stopping all publication of the amount of the gold reserve, and of rendering inflation easy.

The issue of new capital is under strict Treasury control; no one may 'make an issue of capital in the United Kingdom', or 'any public offer of securities for sale', or 'renew or postpone the date of maturity of any security maturing for repayment in the United Kingdom'; and it is unlawful for anyone to issue a prospectus of capital issue or sale of securities unless such a prospectus has been countersigned by the Treasury.

FOOD

Wartime provision for the control of food is divided between the Ministry of Agriculture and the newly-formed Ministry of Food. The Department which under Sir John Gilmour (!) became the Ministry of Shipping, and the Ministry of Transport, also play their part in the getting of food to the consumer, but broadly speaking that part is simply that of a carrier acting under instructions given from outside.

As regards home production of food, the aim of Government control is to increase the production of certain commodities, and in particular to improve grasslands and to increase the area under arable cultivation, the main methods used being an extension of the policy of subsidies which has been operative since 1931, the fixing of maximum prices, and the setting up of County Agricultural Committees to supervise production. On 9 October the Minister of Agriculture announced that the Government intended to buy up the entire stocks of the chief staple food commodities. It is to be noted that although the Emergency Powers Defence Act authorised the Government, if it chose, to take over any land in the country, there has been no attempt to put the State in the position of landowner and thus to give it direct control over agricultural production. Nor has there been—nor, apparently, is there to be any official provision of agricultural credit, the assumption being that sufficient credit will be supplied by the banks without State interference.

Subsidies

As regards subsidies, the position of the farmer will not be very different from that existing before the war. During the previous months the subsidy of £2 an acre for ploughing up land aimed at decreasing our dependence on foreign cereals; and the only difference is that the date by which land must be ploughed up in order to receive the subsidy has been extended from 31 October to 31 December, and that producers who in 1939 produce both wheat and oats, instead of having to accept a lower rate for one or the other, will obtain the full subsidy for both crops. In addition a new subsidy for feeding stuffs has been introduced; but in view of the abnormal rise in prices and the shortage of supplies it is doubtful whether this will be of much advantage to the farmer. A subsidy for mutton and lamb is hinted at, and the production of pork is discouraged. As against the desire to promote cereal production, exemplified by these subsidies, may be observed the official discouragement of certain crops considered to be luxuries. Strawberries and asparagus will serve as examples.

Prices

Maximum prices for practically all farm produce have been fixed by the regulations of the Ministry of Food. These prices are graded to a certain extent (there are four prices, for example, for livestock); but there are complaints that in relation to retail prices the maximum prices are too low, and that there is a tendency to fix them too much with reference to short-term policy. For example, it is officially estimated that owing to the clearing of land for the plough there will be a glut of potatoes this year and in the following year a deficiency, if prevailing prices are maintained; but there is no suggestion of any policy to deal with this 'scissors' situation.

County Committees

Under the Defence Regulations, the powers assigned to the Minister of Agriculture are very wide; he is empowered to take over any land and to determine tenancies at will. It was assumed that the County Agricultural Committees, which are now being set up all over the country, would exercise those powers as representatives of the Minister; but a subsequent Order makes it clear that the Committees will not be able to take any such drastic action 'without the consent of the Minister in writing being previously given'; so that it seems that the function of the Committees is to be in the main advisory, though they may use such powers of persuasion as they possess to influence landlords and cultivators. Their effective powers, in minor matters, seem to be likely to vary a good deal from district to district; in some areas, for example, the Committee has entire control of the distribution of tractors—of which for the moment there is a shortage—while in others their purchase is entirely the concern of the farmers. The net effect of all these provisions appears to be that the farmer is under a potentially strict, but at the moment somewhat haphazard control.

Imports

But, however successful the endeavours to promote the expansion of home production, the larger part of the food problem, at the present time, is the control of imported food and of food distribution. This is in the charge of the Ministry of Food, which has superseded the Food Plans Defence Department and has incidentally scrapped, as a result partly of the introduction from outside of 'persons of experience in the trade', a number of plans previously laid down by the Department; this is clearly a case where bureaucracy has been inadequate rather than excessive.

The Minister has appointed Regional Food Controllers who are his area representatives ; and in addition there are control organisations for individual foodstuffs—twelve for grain and flour alone—and local Food Control Committees whose composition is prescribed by regulation, and whose duties are to see that the instructions with regard to maximum prices and the distribution of supplies are observed in practice. These Committees are presumably intended to act as a local check on profiteering ; but though they are given powers to prosecute on a majority vote, it is not at present clear how they are to obtain the necessary information.

Requisitioning

Immediately upon the outbreak of war the Government embarked upon a programme of requisitioning stocks of many commodities. The list of these commodities includes flour and other cereals, tea, sugar, dried fruits, butter and margarine, meat and bacon, and a great variety of canned foods—originally the Government also took power to requisition all fish and cut out the fish wholesalers completely, but this plan broke down and has been abandoned. (The control of slaughterhouses, now being imposed, looks as if it might work more efficiently.) In the case of most commodities the requisitioning powers only covered imported supplies, and home-grown stuff may still be sold freely provided maximum prices are observed ; but (a) the Ministry of Food has authority to take over all the butter in creameries owned by the Milk Marketing Board ; (b) all cold-stored meat and flour above a certain quantity (five tons for meat, 50 tons for flour) was requisitioned ; and (c) all sugar which had not paid duty and all tea yet in bond was bought up. In effect, the Government is now the only buyer of imported food—and will be soon the only buyer of home staples ; and it has also laid hands on a certain amount of stocks at present in the country. Much buying, e.g. of bacon and butter, has also been done by the Service Departments themselves, particularly the War Office ; the shortage of bacon was not principally due to any serious immediate diminution of supplies but to the decision of the War Office in the first few weeks to buy forward provisions for a large army for an almost indefinite period. A good deal of detailed criticism has been made about the price policy pursued in these requisitions ; butter, for example, which had been bought at 115s to 118s per cwt, was resold to wholesalers at 144s, an action which can only be described as Government profiteering. Part of the explanation appears to be an intention of the trading authorities at all costs to show a profit at the

end of the war. The result, however, of such methods is not merely to raise retail prices by more than should have been immediately necessary, but also to give the retailer who was not holding stocks a rather small margin—which has considerable bearing upon the wages of shop assistants. Retail prices are now fixed for pretty nearly all principal foodstuffs, the most important exceptions being coffee, fruit and vegetables other than potatoes, rice and some similar commodities. In spite of this, however, the retail food index had risen 9 points by the beginning of October—almost exactly the same rise as took place in August 1914 when there was no control.

Rationing

Even before rationing comes in, considerable control will have been imposed upon sellers of foodstuffs. Since 9 October every food retailer must be licensed, and processors or wholesalers of particular commodities require in most cases either a general or a special licence before they may handle the goods. It is worth noticing that the practice of 'pooling' various grades of stock, already introduced in the case of butter and petrol, is to be extended in the near future to such commodities as tea, sausages and dried fruits. As regards retailers, it seems likely, as indeed might have been expected, that if anyone is to suffer it will be the small man, both because—in contradiction to the ordinary practice of the co-operative movement—he will have to pay more because he cannot obtain the rebates for the purchase of, for example, sugar and condensed milk in large consignments, and because forcible amalgamation of small shops is definitely hinted at by the Government. Rationing of sugar, tea, fats and meat, including bacon, was to be introduced by the end of October—it has since been indefinitely postponed; at the time of writing little is known about either the quantities of each commodity which will be provided or the methods by which distribution is to be effected or the prices to be charged. Presumably, such questions as these will be largely the concern, at all events in matters of detail, of the local Food Committees; one can only note that a great responsibility will inevitably rest upon them, and that it is very urgent (*a*) that they should have completely free access to the books of local traders, and (*b*) that in view of the influence which the larger combines are bound to have upon the central organisation, it is urgent that a National Food Council, with adequate powers of enquiry and fuss-making, and adequately representative of both workers and the ordinary consumers, should

be immediately set up. Such a Council, acting in conjunction with the local Food Committees, can alone deal with allegations of profiteering in foodstuffs and with cases of hoarding. On the question of profiteering, though vague threats are made, little is known about either its extent or measures that could be taken to deal with it : as to hoarding, while there is no doubt that it has taken place, and a prohibitive Order has been issued, the terms of the Order are so extremely cloudy that it is doubtful whether it can have any effect whatever.

It is too soon to formulate any definite conclusions about the measures taken to control agriculture and the food supply, for they change from week to week and even from day to day. In many respects, the paper plans of the Ministry of Food, for example, appear, after some errors, to be drawn on fairly sound lines, and to embody reforms (such as the closing of the small slaughterhouses and the abolition of the wasteful second delivery of milk) which have long been vainly advocated. Paper plans are, however, no more than paper ; and one must note that the tendency (*a*) to subordinate all other claims to the uncriticised requests of the military machine, and (*b*) to let the big combines in on the ground floor, are both in patent existence and must be watched closely.

RESTRICTIONS ON THE INDIVIDUAL

Apart from the all-important question of food supply and food prices, the individual, in time of war, will be subjected to continual demands made by the State ; these will be of two kinds, of active work which he may be made to do, and of passive acceptance of restriction on the ordinary liberties. Up to the third week in October, owing to the unexpected development, or lack of development, of the war, the demands made under both headings were lighter than might have been expected ; but the powers were taken, and the need for democratic control and some measure of justice in administration is as apparent as in other departments. The precipitate manner, for example, in which many local government bodies liquidated themselves at the outbreak of war was very unfortunate.

Conscription

All men between the ages of 18 and 41 are liable for conscript service in the armed forces. This is effected by Royal Proclamation calling up certain age groups, followed by detailed orders from the Minister of Labour. Provision is made for conscientious objectors to appear before tribunals similar to those arranged

for the pre-war militia, and service may be postponed in cases where it would cause 'exceptional hardship'. The provision whereby, in the case of the militia, service could be postponed until the end of a University degree course has, however, unfortunately disappeared; and the way in which the announced intentions of the War Office with regard to calling up seem to vary from week to week is at present making for much uncertainty and some real hardship.

National Registration

By this time the returns have been made from which the register is to be drawn up and individuals have received their identity cards. The particulars from the returns are to be entered in a 'central index' which covers a given area of the country and is in the charge of an official known as the Local National Registration Officer. Changes in the registered population will be entered in a separate 'maintenance register'.

It is with regard to the upkeep of the Maintenance Register and the preservation of his identity card that the individual now has responsibilities that may prove irksome.

A person changing his address must, within seven days, go along to the local office and fill in a new form. The parents of a newborn child will be given a form to return to the local office when the birth is registered in the ordinary way, but when a death is registered the office is informed automatically and the person registering it is free from responsibility in this direction.

Billeting

In order to provide billeting accommodation for evacuees, the Minister of Health can give authority to billeting officers to serve a notice on the occupier of any premises requiring them to furnish food and lodging, to be paid for at a rate determined by the Minister. It has been suggested that in many country villages the billeting officer, drawn from the locality, is politely dissuaded from indenting on the local landed gentry. There is no check on billeting officers thus showing favouritism, but provision is made for tribunals to be set up under the local authority to deal with complaints of hardship. These complaints have to be lodged in writing with the clerk to the local council.

These tribunals, however, have no powers with regard to the billeting of troops, which is effected through the police. In peace time troops can only be billeted on the keepers of 'victualling houses' but this is extended on the declaration of a state of emergency

to include the owners of private houses, farms, warehouses and barns—not factories.

Authority is given for the requisitioning of billets by the Annual Army Act and the control is lodged in the hands of the local Chief Officer of Police acting on behalf of any general or field officer in the army.

Air Raids and Restrictions

In framing many of the emergency regulations the Government obviously prepared for air raids resulting in complete chaos and the collapse of civilian morale. They had envisaged the worst and decided that it would need a stern discipline. So they gave powers to the Home Secretary in advance and trusted him not to use them before it was necessary.* Some are already in force.

Under the Defence Regulations, in order to deal with air raids or their threat, he can commandeer any building as an air raid shelter, prevent any public meeting and close any place of public resort; he can, of course, prohibit any show of lights and he can block any road; most serious of all he can impose a curfew in any given area so that no person shall be out of doors without special permission. To support these powers the police are given the right to 'take such steps, and use such force, as may be necessary'.

The frenzy with which cinemas were closed and the black-out over-stringently imposed has already passed, but if raids do start the regulations may be used still more vigorously, not as a means of protecting lives, but with a panic intention of preventing panic.

Public Order

Along with these rules, framed in the expectation of bombs, must be taken another set of powers devised 'to secure public order'. Their chief concern is to prevent the spread of 'disaffection among persons in the service of His Majesty' or the influencing of public opinion in a manner likely to be prejudicial to the national defence and the prosecution of the war. As their effect will depend entirely on their interpretation we are offered the safeguard that prosecution cannot take place without in the case of the first class of regulations the consent of the Director of Public Prosecutions, or, in the case of the second, the consent of the Attorney General; but these safeguards may be vitiated by powers of censorship first exercised by the Ministry of Information under which any publication can be suppressed or restricted and a person convicted under this rule prevented for any specified time from publishing a newspaper. This may well mean that papers can

be suppressed and their editors tried, without any news of it being published. This is not, of course, the only aspect of the censorship, and there has already been evidence of the control of news by public servants who are discouraged from taking responsibility and who find that it requires more courage to grant a liberty than to suppress one. It is necessary to try and check this attitude here and elsewhere, as, for example, the further powers of political censorship (whose working we have yet to see) that are vested in the Home Secretary, who is given power to prevent the display of flags and banners, unlawful drilling or the holding of meetings or processions likely to 'cause disorder or promote disaffection'.

Further restrictions are placed on the individual in limiting his power and right of free movement. Inside the country this is effected by petrol rationing and a cutting down of rail and coach services (see above), though here again the original severity of the scheme has been modified after public outcry against the official lack of imagination. Anyone wishing to travel abroad must obtain leave from the Passport Office (which leave is unlikely to be given if he is of military age and not otherwise protected); and he must embark at one of a number of approved ports. The right of postal communication with foreign countries is rigorously curtailed by regulation and all correspondence subjected to censorship. On 10 October it was announced that the import of reading matter in bulk was prohibited, and it has been very difficult to obtain foreign periodicals.

Industrial movement is restricted by the Control of Employment Act, which gives the Minister of Labour power to restrict employers from advertising jobs or engaging workers if by doing so they are deflecting skilled men from work directly connected with the war. So far little use has been made of this Act, but its potentialities are obviously enormous.

For all these restrictions and other minor ones, such as the prohibition of photography in certain military areas, a case can be made out. But it is essential that they shall be interpreted sensibly and that their purpose shall be kept in mind. Many of them offer openings for the type of mind that enjoys regulation for its own sake; many more offer openings to reactionaries for deliberate repressive measures. It is essential that both these should be prevented, and this can be done only by watchfulness and collective action. Elected representatives, trade unionists, shop stewards, members of wartime committees must all keep an eye on their respective spheres of activity and be prepared to break through unnecessary red tape and to attack reaction whenever it appears.

PEACE AIMS

W. Arnold-Forster

This article is based on the report of a speech delivered at the final session of the Fabian Conference on "War for What?" on 15th October 1939

Every one of us passionately desires that this war should end now, before another drop of blood has been shed. We all ask ourselves, Can there be truce and conference now, before 'sputtering war' in the West flares up into massacre? Can't the damned thing be stopped now, before it gets any worse?

Some people, in their desire to be able to answer yes to this question, go so far as to say that the war hasn't really begun. 'War has been declared but is not yet being waged.' I confess that, in the presence of so much death and misery, I find something horrible, almost facetious, in this claim. Even if, living in this London which has not yet been bombed, we could forget what is happening now on the sea and the hunger that is beginning on land, we cannot well forget that four-fifths of Warsaw is a rubble-heap and that the independence of Poland is temporarily destroyed. If our professions of faith in a collective peace system, and our declarations of purpose in entering the war, mean anything, we are in this war up to the neck.

CAN WE STOP NOW?

Some people suggest that Hitler's speech of 6 October affords a basis for truce and conference forthwith. I can understand that view being taken by an absolute pacifist, who wants peace at any price, even though the price be dictated by Hitler. And I can understand that view being taken by a tame communist under directions from Moscow, or under the impression that all will now be well since Comrade Stalin has the whole game in his hands. But I cannot understand that view being taken by anyone who wants a fair deal for the Polish and Czechoslovak peoples and wants the building up of a new Commonwealth of Nations with the help of a free German people. Hitler's speech in effect excludes from the agenda of any such Conference the future of Bohemia and Moravia. It admits that the future of Poland may in some measure be discussed at a Conference; but in his scornful reference to conferences he emphasises that this matter, and all questions concerning Germany's 'sphere of influence' in the East must be decided 'exclusively' by Germany and Russia. As for

the idea of a real Commonwealth of Nations, involving substantial curtailments of national sovereignty, no one who has followed Hitler's words and actions can doubt that he is not merely unwilling to come in, he is the ruthless opponent of the whole conception of internationalism. No speech could have been more frank in its tribalism than Hitler's on 6 October: not one of the many boasts in that speech was more characteristic than the claim—'I have always declined to submit Germany's vital rights as a humble petition to any sort of incompetent international body.'

The only kind of Conference that Hitler offers us is one based on acceptance of his conquest in Poland—based, that is, on acceptance of yet another outrage of the very kind that we entered the war to prevent. There is no basis in Hitler's speech for the only kind of truce or conference that we ought to accept.

But that does not mean that there is nothing for us to do now beyond getting on with the job of prosecuting the war. We ought to have a much better statement of our democratic cause, a much clearer outline of our peace aims, than has yet been given. I hope that such a statement will be made *before* the major struggle begins in the West. Even if it does not help now, directly, it will help presently. I wish I could see any prospect that the kind of statement that is needed would be made, could be made sincerely, by our Government. The speeches of Chamberlain and Daladier are not enough.

IMMEDIATE AIMS

What are our immediate war aims? We must seek to undo the wrongs resulting from Germany's aggression in the following ways.

Firstly, we must seek to establish a free, independent Poland, with such limitations of sovereignty as are proper for all members of an effective Commonwealth of Nations. I refer not to a Poland such as existed between 1921 and 1939, but to a Poland confined to the areas genuinely peopled by Polish population. Such a Poland should be assured access to the sea in one way or another, and its security should be guaranteed not only by Germany and the Soviet Union, but by the Commonwealth. We should use our influence to help this Poland to become not a quasi Fascist State but a free democracy.

Secondly, we should seek to assure the existence of a free Czech State. Like Poland, this State should be genuinely independent, but subject to the curtailments of sovereignty required from the members of the international community. I think it

will be found necessary to include in this Czech State the bulk of the Sudetenland; but if so, there should be provision for local self-government and for the emigration under considerate conditions of the German inhabitants who prefer to leave.

As for Slovakia, whose independence is now a mere pretence, it should have genuine freedom to decide its future. Probably union with the Czech State will be found the best solution.

Austria likewise should have genuine freedom to decide its future. Economically and politically it can hardly survive as a separate State unless it has the advantage either of a European customs union or a German union or of some kind of union with the other States of the Danubian basin.

As for Germany, I assume that what we all desire is a German—a truly German—revolution which may set free the democratic and international forces now imprisoned. I assume that our task must be, not to try to force revolution of this or that kind upon Germany from outside, but to create conditions in which that revolution has the best chance of success in overthrowing the Nazi tyranny and the best chance of healthy life after it has done so. I assume that we are most likely to succeed in doing this if we sustain our attack upon the Nazi war machine, if we prove by action the reality and efficiency of the democracy we profess, and if we withstand the temptation to try to keep Germany, after the war, disabled and unequal in status. We shall only succeed if, during the transition period after the war, we are at once generous and understanding in our sharing of risks with France, and generous and understanding in our offer of partnership to the German people. If we approach the new Germany in a 'holier than thou' frame of mind or in the temper of people concerned only to guard themselves against being bitten by a mad dog, we shall fail to win that partnership which is indispensable for the growth of Europa.

LONG TERM AIMS

'Hitler must be stopped' is a sound war aim as far as it goes, but it is not enough. It is only a condition, of course, for the establishment of a world order assured of peace and capable of justice in the broad socialist sense.

It is a mistake to suppose that in this respect we are back now just where we were a quarter of a century ago, when the Fabian Society made its notable contribution to the study of world order. Five men of letters laid a foundation then: Leonard Woolf, Henry Brailsford, Norman Angell, E. D. Morel and Lowes

Dickinson. Two of those are dead; the other three have been with us in this conference. Their work may seem overwhelmed for the moment, but it was not in vain. Today, thanks largely to that work, we know what are many of the essential elements which must be included in a collective peace system through which an adequate system of world government can be evolved. Thanks largely to their work, and thanks to the existence of an organisation based on principles which they helped to sketch, a vast public opinion is now immeasurably better informed as to the real price of peace than was the public of 1914.

We know that the system of regular conference is indispensable, with a permanent secretariat behind it. There must be certain elementary rules of peaceful behaviour, understood and sincerely accepted by peoples free to discuss them. There must be constructive services of peace, rendered through the international organisation to its members. (Has there not been, during the past 20 years, a certain *trahison des clercs* in this respect? Have not the intellectuals stood aside too much from the great creative experiment that has been going on? How few of us really know what has been achieved, through the League and its commissions and through the I.L.O., in the way of screwing up labour standards, improving health services. How few of us, I dare to say, have used our imaginations to conceive what could be done within a few decades for the vigour of the human family, especially in Asia and Africa, by means of a pooling of the world's resources to amend elementary deficiencies and errors of diet, clothing, and education.)

There must be effective provision for peaceful settlement of international disputes by third party judgment; and this judgment must be accepted in advance. There must also be improved provision for peaceful change of existing rights with the help of the international authority; and means will have to be worked out for enabling that authority gradually to compel acceptance of such changes of the *status quo* as are found desirable in the general interest.

There must be drastic and progressive disarmament, under international supervision, with some kind of sanction against violation of the disarmament agreement. I want abolition of all national air forces and the development of civil flying as far as possible as an international service. But if we want disarmament, we must learn the lesson of the past 20 years of study; we must not expect the anxious countries to disarm without an assurance of collective defence against aggression.

Lastly, there must be a more effective provision than the

Covenant offered for collective action to prevent and stop peace breaking. I cannot here discuss what form the provision should take, regionally and generally. I will only say that sanctions really are the alternative to anarchy. If we do not put preponderant power behind our covenants of peace, competitive power will destroy those Covenants.

GLASS HOUSES

It is not enough to undo the wrongs committed by other people; and it is not possible to build such a peaceful world order as we desire, or even to prosecute the war with the support that we need, unless we take drastic action to put our own house in order.

We profess to be fighting for a cause larger than Britain's, a war of collective defence of the liberties of Poland. It is not, I think, an insincere claim, when made by the British people. But the claim ought to be made by men whose sincerity in this respect is beyond challenge: it cannot be so made by Chamberlain, Simon, or Hoare. They have openly derided the whole principle of collective defence and betrayed it. They are the worst possible spokesmen for the best possible cause. The Chamberlain Government did not keep us out of war, or bring us into this war under tolerably good conditions. It cannot effectively state the cause for which we are in the war: apparently it cannot prosecute the war efficiently; and it certainly cannot get us out of war or contribute to the peace settlement in a way that expresses the best that is in this people.

We must prove by action our faith in democracy.

We must prove to India that we mean business about India's freedom. No mere repetition of vague previous assurances will now suffice. The choice of India's destiny abroad as well as at home must and will be made by Indians, not by Englishmen. This is an acid test of our democratic professions. I only wish that, when the war began, India had already been in a position to make her own judgment freely. When that judgment is given freely, I believe it will be given on the side of collective defence against lawless violence.

I hope that, in the colonial field, we shall not be content to treat colonial sovereignty as a cake to be divided or redivided amongst imperial Powers. This is a problem of world government, not a problem of imperial competition; a problem not only concerning the advance from exploitation into real trusteeship, but also the advance from trusteeship into real self-government. Everyone who advocates a closed economic empire for the

British is furnishing munitions to Hitler and Mussolini and the Japanese militarists. I see no chance of persuading Germany to abandon colonial aspirations so long as we cling to colonial empire in its present form ourselves. If we were to invite Germany—a non-Nazi Germany—to resume administration of Togoland or Tanganyika under mandate, the Germans would naturally ask why we did not ourselves accept, in adjoining territories, the restrictions of sovereignty inherent in the mandate system. We must apply the principles of an improved mandate system to colonies not yet under mandate; and although the job is much less simple, probably we ought to try the gradual internationalisation of government in some colonial territory on an adequate experimental scale. But all this will be impracticable unless the machinery, resources and personnel of international government is much strengthened at the centre.

There is going to be a staggering problem of demobilisation and unemployment after the war; probably hunger on a great scale and widespread paralysis of industry and agriculture. Only a brave pooling of brains, capital and labour on socialist lines can enable Europe to pull through the transitional period without ruin on an unimaginable scale. And we, in this still unbombed London, especially we in the Fabian Society, should have a contribution to bring to this task.

Much criticism of the Labour leadership, as well as of the Chamberlain Government, has been expressed during this conference. I hope the Labour Party will soon show more clearly its purpose and peace aims in the war, and its will for power. I hope that its peace aims will be appropriate to the much changed world of 1940 rather than a mere restatement of doctrines appropriate to the world of 1919 or 1939. But I hope we shall not spend our energies in shooting at the party leaders. They are labouring under a stupendous burden. Let us do what little we can to help them to stand up, with fresh imagination, to the challenge and opportunities of the new world that may be shaped out of the bloody flux. But we can only help them if we ourselves draw strength from the simple working people of this country who now say, with a grim tragic resolution, 'This Hitler must be stopped'.

THE RUSSIAN ENIGMA

R. McKinnon Wood

A NEW IMPERIALISM?

To many the Soviet Union has always appeared to be an essentially aggressive Power, however non-aggressive the role it may have been playing. It is governed by a section of a world-wide organisation whose purpose is to rouse the working-class of the world to revolt against the existing order and to establish a new world on the Bolshevik pattern, and Moscow is the centre of the organisation. The Red Army is suspected of being a weapon forged to carry Red Revolution into other lands and unite them by force to the Union. This is a new imperialism. It may not imply, like the old imperialism, domination by one state of alien peoples. There may be full racial equality in the U S S R. But it is an imperialism if a state apparatus be used to force other peoples beneath its yoke. And the Soviet Union has now suddenly proved herself both aggressive and imperialist. The Red Army has marched and millions have been forced into the Soviet system.

It has been the avowed theory of Communists that each people should carry through their own revolution without intervention from the U S S R. The Soviet Government have sought to conclude non-aggression pacts with all neighbouring states. In February 1933 they proposed a definition of aggression which elaborately and explicitly excludes such interference. Judged by this standard the U S S R has committed an act of aggression which cannot be justified on the plea that the Polish Government had collapsed; that they were incompetent or oppressive; that the peoples in the territory occupied were not mainly Poles, but akin to Soviet citizens; that the invasion would benefit the people; or that the German advance imperilled the Soviet Union. All these allegations might be true; yet the Soviet Union would stand self-condemned as an aggressor. And this violation of the principle of non-aggression for which she had stood, *ipso facto* makes her suspect of an inclination that may at any moment carry her further along a 'new imperialist' road.

Here we have the more obvious interpretation of the German-Soviet Pact. The U S S R saw in the threatened German attack on Poland an opportunity to extend Communism and at the same time to strengthen the power of the Soviet Union. The Soviet Government therefore entered into an agreement with Germany

in the open part of which they undertook that the U S S R would not aid Poland. We do not know if there was also a secret agreement for partition. We know that Hitler struck at once; and that when Germany had broken Polish resistance Russia entered into occupation. And having disposed of the corpse between them, the partners unite their voices to call on the Western Powers to stop the war and to refrain from future interference in Eastern Europe. The new imperialism supports the old.

SOVIET FOREIGN POLICY TO 1939

In 1917 the Bolsheviks of Russia saw themselves as the leaders of one part of a wider revolutionary movement. They hoped for revolution in Germany and other countries, and indeed in varying degree they believed the possibility of their success to depend upon success elsewhere. But they found themselves in time the masters of one country in which alone the revolution had succeeded. Their problem was then to build socialism in their country and to make themselves secure against attack from the capitalist world. Hence came the concentration on heavy industry and the armed forces; the insistence on distinction between the Soviet Government and the Comintern and the occasional divergences of policy between them; the retreat from China; the exile of Trotsky. The rest of the world was not ripe for revolution and Communist tactics must avoid provoking it against the Soviet Union. And then it became increasingly clear that the capitalist world was not bent on uniting to overthrow the workers' republic; on the contrary, it was subject to an increasing strain between revisionist and imperialist ambitions and the desire to maintain peace and the *status quo*. Here was a situation in which the Soviet Union had less to fear, but still enough to cause her some anxiety. Japan threatened her from the East, and later Hitler Germany from the West. Her interest lay in ranging herself with the Powers that stood for peace and the *status quo*, and she joined them in the League of Nations. She was thus able too to play a part in the prevention of imperialist wars—a genuine Communist aim—and to acquire kudos for the Communist State as a peace-seeking Power. During the few years she has been a member the Soviet Union has been the most loyal of the Great Powers within the League—till the lapse of this September.

THE PEACE FRONT

There is every reason to believe that knowledge that any act of aggression in Europe would be regarded as a *casus belli* by Britain,

France and the U S S R would have secured the maintenance of peace ; but Britain and France have never been willing to commit themselves so far. After the events of this spring we took a big step in that direction, pledging ourselves to the defence of certain countries then threatened. Subsequently we asked for Russian support, after we had declined an earlier Russian proposal for a conference. We failed to get that support, and we do not know the full story of that failure. We are left to conjecture where we lack full knowledge. It would seem to have been in the common interest of Britain, France and the U S S R that German expansion should be stopped and peace preserved, and we understand that the rock on which the project foundered was the reluctance of the East European States to accept Russian aid on Russian terms. The root of the trouble clearly lay in the fear of Soviet aggressiveness and imperialism. How far this factor may have operated on the minds of British and French statesmen and through them on the negotiations ; how far it spontaneously inspired the eastern statesmen to obstruct, we cannot say. Nor do we know the full terms the Russians demanded, and how far they might have justifiably roused fears, or even proved impossible of acceptance. But, clearly, the only terms on which the U S S R could be expected to come in were terms that would assign to her a dominating role in war in the East ; and the recipients of aid might well fear lest, having once let the Red Army in, they would not so easily get it out again. Above all, this Army would carry with it the bacillus of Communist doctrine amongst a poverty stricken population, exploited by landowner and usurer and without democratic liberties, a fertile breeding ground for revolt. And the plea for defence of the Baltic States against indirect aggression might well open the door to indirect aggression from the other side. Eastern Europe has long dithered and vacillated between the Nazi Devil and the Bolshevist Deep Sea. On the other hand, Poland had her pledge from Britain and France, and invasion by Germany meant facing a major war which she would think twice before she entered. Poland preferred the lesser security against Germany to avoid the Russian risk ; she has escaped neither.

Could we have forced Poland to accept Russian aid by making ours conditional upon it ? Her leaders might have chosen rather to pass under Nazi domination than to agree to admit Bolshevism. Could we then, in our own interest, permit this further expansion when our guarantee had a fair prospect of stopping it ? In the event it failed ; but our governments have built for themselves an unfortunate reputation for retreat. We are indeed still believed to be capable of retreating. And if Hitler doubted our sincerity,

so too may the Soviet Union have doubted us—after Munich. They may have feared that we should leave them to do most of the fighting, if we fought. A natural joint strategy would assign to the Red Army the major role in the quick defeat of Germany; for she would command the major force and attack upon by far the weaker front. The U S S R might then expect to pay the major cost of rectifying the consequences of years of Western weakness. She was at least in a material and moral position to dictate terms, and yet she was treated like a poor relation. It is not to be wondered at if in the early summer she began to consider an alternative policy.

THE ALTERNATIVE POLICY

Faced with a not unlikely breakdown of the Peace Front talks, the U S S R must consider an independent line. Could she stand aside and allow Germany to extend her hold on Eastern Europe, trusting that the Western Powers would fight, defeat Germany, and restore the *status quo*? Or should she sell her neutrality at a price? She chose the latter. The open pact was the deed of gift; the consideration, if agreed, was not made known. Germany marched, and she had virtually crushed Polish resistance when the Red Army marched too. The Red advance denies Germany half Poland and bars further advance through Poland into Rumania, Hungary and the Baltic States, while Russia guards the oil wells of Eastern Europe. With Germany in a life and death struggle with the Western Powers, Moscow is mistress of Eastern Europe; and Balkan and Baltic States are well aware of the position. The latter become Soviet protectorates, yielding bases to strengthen the Russian position in the Baltic, and the pressure extends to Finland. The former are relieved of Nazi pressure, but look to Moscow with mixed feelings. Turkey is under Soviet pressure, though firm in her adherence to her pact with Britain and France.

The influence of the U S S R has immensely increased, but not least remarkable is the revolution in her relations with Germany. No longer the Accursed Thing, the Bolshevik State has become a friend. And a very superior friend; for Ribbentrop flies to Moscow, while Moscow stays at home. And while the new policy of Moscow has established this new footing with Germany, this strange union of arch-enemies has profoundly disturbed the Axis and further alienated Catholic feeling from the Nazis, while in the Far East a Japanese premier has resigned 'in trepidation'.

To look to the future, the Soviet frontier now marches with that of the Reich. The Red Army can enter Germany without

discussion with intervening States. Nazism and Communism are no longer 'Poles asunder'; gone is the *cordon sanitaire*. Moreover, at least in Communist eyes, the Soviet border will be filled with grateful freed White Russians and Ukrainians and a proletariat and peasantry with the Soviet sense of ownership and better social services, while the German borderland will seeth with rebellious subject Poles. The U S S R will be in a strong position to prevent any Allied intervention in a Germany in revolution. And the establishment of a workers' republic in Germany is the greatest coup which the Comintern can contemplate to-day. It has been said that Communism in Germany would be particularly dangerous (to capitalism) because German efficiency would make such a success of it. Hitler has repressed, but not eradicated socialist thought. On the contrary, his regime has reinforced the theory of increasing ruthlessness of class war, while it has habituated the mass mind to violent methods. Now he marches his people towards the conditions for a workers' revolution postulated by Lenin, the conditions of Russia in 1917. So far from Hitler having saved Germany from Bolshevism, he leads her towards it.

THE SOVIET PEACE MOVE

Following this train of thought, the Soviet Government, as leaders of the Comintern, might be expected to be content to see the war go on. On the contrary, we receive a rather peremptory demand to call it off. The joint demand from Germany and the U S S R that we should recognise the question of Poland as one which they have settled, and the continuance of the war as therefore an unjustifiable slaughter and an unacceptable interference with their affairs, may be regarded as simply a logical part of the role that the Kremlin has chosen to play. Hitler must desperately desire to escape the major war; and Stalin is not unwilling to oblige him with a concession which may amount in practice to very little. 'Hard words break no bones.' It is neither likely that Hitler would give the Red Army passage across Germany, nor that Stalin would contemplate an attempt to liberate India and disrupt the British Empire, or involve his people seriously in war.

On the other hand, the war may result quite otherwise, in the formation of an anti-Soviet *bloc*. The nature of the revolution in Germany is not certain. Hitlerism will pass in time. The war is not at bottom a peoples' war, but an imperialist war prompted by the obvious danger to British and French capitalism of a German hegemony in Europe. We are not taken at our face

value, and the U S S R must oppose the war. Moreover, it is desirable at home and abroad that the Soviet Union should stand for peace. And if the Soviet Union has stood against the war, may that not increase her influence in Germany, where, while we may to some extent appear as liberators from Nazidom, the masses will none the less connect us with their sufferings? It is one of our most vital and most difficult problems to convince the German people that we are fighting Hitler and not his people. And is it wholly true?

As for Poland, is there any freedom worth getting excited about but the emancipation of the masses from feudal and capitalist exploitation? This freedom the Soviet Union has secured for half the population and so, on balance, she has improved on the *status quo*. The Polish Government committed suicide by not trusting their fate to a Russian as well as a British-French guarantee. They deserve no Soviet sympathy. And Eastern Europe has been immensely strengthened against further German penetration. Need the war go on? So may the Kremlin reason.

BRITISH POLICY

We do not refuse to consider any peace proposal; but we have no hope of receiving proposals that we can accept. We feel at bottom that we cannot make a peace with Hitler, for we cannot rely upon him to mean what he says or to keep his word. We see in him a man of unlimited ambitions and can see hope of an end to his perpetual aggressions only in his removal. Can we make a peace which does not restore real national liberty to the Poles and the Czechs? It seems that the war must go on.

But in the discharge of our obligations to the Poles we can draw comfort from the consideration that the eastern frontier was the outcome, not of Allied decision, but of war between the Poles and the Soviets by which the frontier was carried much further east than we had intended. The new Soviet frontier is not far from the 'Curzon Line' and the population now annexed is mainly White Russian and Ukrainian with a high Jewish element. The U S S R has effected a big ethnographic rectification. We cannot abstain from the formal protest which is our custom, but we need not see in Soviet aggression a *casus belli*. And we have enough on our hands already.

On the contrary, let us regard the U S S R as a friendly neutral and let us encourage friendship by building up trade between us. Let us recognise the U S S R as a Great Power, become greater, without whose co-operation no final satisfactory settlement is possible. It is important that we should win the sympathy alike

of the U S A and of the U S S R. We should make our aims clear to both, and we should strive to formulate a peace settlement that may win their support. So far our purpose is fairly clear, but too negative. We need a constructive policy, a plan to secure for all the peoples of Europe freedom of self-development consistent with respect for the rights of others, a plan for the preservation of peace, a plan for co-operation for the general welfare. We should declare our intention to negotiate the peace settlement with a new German Government on an equal footing, along with the other Governments of Europe. This time we must not hold the German people responsible for the acts of the Nazis, or impose any penal or restrictive terms. And, finally, let us recognise that British imperialism as it is forms a serious bar to full sympathy of both the Russian and the American peoples and let us give proof of good intentions by reposing in the goodwill of the peoples of India, not less, but greater confidence, by granting *now* greater liberty and responsibility to Indians.

HITLER'S ROUTE TO BAGDAD

Prepared for the International Research Section of the Fabian Society by Barbara Ward, the Hon. Barbara Buckmaster, Clare Hollingworth, Vandeleur Robinson and Lilo Linke. With an introduction by Leonard Woolf and a set of original maps by J. F. Horrabin. (Allen and Unwin 10/6)

To all who are sated with the I-Heard-Hitler-and-I-Saw-Stalin type of thing, the objectivity of this publication will come as a relief. In fact, the writers go almost too far in the direction of impersonality, and fail to convey a sense of having seen or heard much at first hand in Eastern Europe. But apart from this defect, the publication is indispensable, since it provides a sound and informative source of information on five countries which at the moment of going to press are still intact, but clearly will not remain so.

From the standpoint of which country might be the next to be disintegrated by minority pretext propaganda, Yugoslavia is an obvious first. Barbara Ward's account of the Croatian question is therefore of vital interest, and is extremely well balanced and exact, suggesting as it does that Nazi aggression may even heal the running sore of Serb-Croat relations. Under the apparently rotten surface, the Balkan countries have a sound kernel.

Rumania is, of course, more likely to collapse through direct

aggression. Barbara Buckmaster gives a convincing explanation of why Carol sat on the fence for so long, a policy which seems more intelligible now that there is no fence to sit on.

Why did Rumania not throw in her lot with the Axis or the Peace Front? Three things have to be remembered. First, that Rumania does not wish to give concessions to Bulgaria if she can avoid doing so; second, that she hesitates to place all her confidence in Great Britain and France after Munich; and third, that experience in the war led the Rumanian people to fear their Russian allies more than their German enemies.

The surveys of Bulgaria and Greece by Clare Hollingworth and Vandeleur Robinson are informative studies of the later stages on the route. Robinson quotes Metaxas, in a sentence which summarises the whole situation: 'Greece is not pro-German; it is a question of finding a market for her tobacco.'

This comes near to the essential point, poverty and agrarian over-crowding, which none of the writers emphasise rightly. From it there is a natural transition to Lilo Linke's article on Turkey, which raises the question of how poverty and ignorance are to be combated. She tells Turkey's story as the story of Kemal's life work. He drove Turkey forward on a straight progressive road, without any apparent opposition. According to her, the analogy with a totalitarian regime is deceptive: Kemal rose to power without opposition because no classes really exist in Turkey.

The Turkish regime in the main is not the result of a deadlock in a struggle of hostile forces within the country. It is a natural growth, resulting from the need of swift adaptation on the part of Turkey to modern Western standards, which was the most essential condition of her survival.

Maybe, but if so, why have the other Balkan States not gone the same way? Lilo Linke raises the fascinating question of the meaning of dictatorship or democracy in economically backward countries.

What the book needs is a conclusion in which all the writers together would survey all the countries together, surveying the class structure, the population problem, the actual progress in production made in Eastern Europe since the last war; then we could judge the true significance of Nazism or Communism for these countries.

The future holds chaos for several years to come for Central and Eastern Europe. The Fabian Society might well use this work as a preliminary to a wider study, by the same writers, of the political and social structure which socialists would like to see created in these regions, when there is a hope of creating a new European order.

DOREEN WARRINER

NOTES ON BOOKS

1

GUIDE TO THE UNEMPLOYMENT INSURANCE ACTS by H. C. EMMERSON and E. C. P. LASCELLES (Longmans 6/-)

A plain and technical description of the unemployment insurance scheme, with particular emphasis on umpire's decisions. It is a pity that its scope is so narrow as to exclude the Unemployment Assistance Board. **P. H.**

FOOD INCOMES, MEANS TESTS AND PERSONAL RESPONSIBILITY by P. FORD (King 5/-)

This book is concerned with means tests from the aspect of the mutual responsibilities of families, and the analysis is based on an examination of nearly 8,000 cases, in the two groups of wage earners and U A B applicants, in twelve different towns. The statistical data relating to such questions as relationships in the household and the presumed degree of financial independence of the head of the family is important, though it might be better presented. Owing partly to a reluctance to paragraph, this is unnecessarily difficult reading. **P. H.**

TUBERCULOSIS AND SOCIAL CONDITIONS IN ENGLAND. A STATISTICAL STUDY by P. D'ARCY HART and C. PAYLING WRIGHT (National Association for the Prevention of Tuberculosis 3/-)

This study seems to have been written before the appearance of the Ministry of Health's report on the Anti-Tuberculosis Service in Wales. This was a pity, for if the authors had read the official report they would have had a rare opportunity of learning to present their material in trenchant form. Their document will, nevertheless, be of great value both to those engaged in Tuberculosis work and to those who want a further argument for the abolition of overcrowding and slums. **R. B. T.**

THE BUILDING OF A NATION'S HEALTH by SIR GEORGE NEWMAN, formerly Chief Medical Officer of the Board of Education and the Ministry of Health (Macmillan 21/-)

The author has enjoyed writing this book and Fabians will enjoy reading it. It is the story of the age-long fight by the community against 'pestilence' and 'vagrancy', plague and starvation, ill-health and poverty. By 1900 'Medical science . . . and social emancipation' had advanced so far that unprecedented progress was possible. Nevertheless, our maternal and infant mortality rates are still 'pathetic, discreditable and unnecessary', and, as in 1910, 'defective nutrition stands in the forefront of all physical defects from which children suffer'. The building of a nation's health is not yet complete, but the national health conscience has been awakened. **S.A.**

NATIONAL AFFAIRS; THE ECONOMIC, POLITICAL AND CULTURAL STRUCTURE OF BRITAIN by A. F. W. PRATT (Black 4/6)

This book originated from two courses of lectures given to Civil Servants and is, in the best sense of that word, inoffensive. It is to be strongly recommended for adult educational work. **P. H.**

THE A B C OF LOCAL GOVERNMENT by C. KENT WRIGHT (Evans Brothers 4/6)

The Town Clerk of Stoke Newington fits into 200 pages an admirable outline of the different services Local Authorities perform and the way they work. His clear and friendly style makes this an ideal introduction for the apathetic, the young voter or the enquiring citizen; and it would be a valuable reference book for a teacher. Readers would see how deeply Local Government affects their daily lives and would, we hope, take a closer interest in the activities of their local Council. **A. W. F.**

THE STRUCTURE OF MANUFACTURING PRODUCTION by

CHARLES A. BLISS (National Bureau of Economic Research (USA 12/-)

Here is an infuriating instance of the cavalier tardiness of official statistics. This book gives a cross-section description of American industry. Since it only shows the position at a given time of a series of relationships and institutions that are continually changing, it is as unreal as an auditor's report. As one of a series it may be of great value, at least historically, but unfortunately for its present usefulness it has had to be written as a commentary on the latest available Census of Manufactures—that of 1929.

R. J. P.

STEP BY STEP, 1936-1939 by the Rt. Hon. WINSTON S. CHURCHILL

(Butterworth 12/6)

In this reprint of fortnightly letters on foreign policy and defence there is surprisingly little evidence that Mr. Churchill *has* been right all along, and very little distinction of style. Mr. Churchill was slow at both detecting and condemning appeasement: he did not express disapproval of Chamberlain's advances to Mussolini in August, 1937, and on 17 February, 1938, the day before Eden resigned, he wrote that Eden's view that it was not through the buying of temporary goodwill that peace was made, represented Chamberlain's own view. Mr. Churchill might be a socialist in a 'semi-barbarous Asiatic country' (p. 148).

P. H.

THE PROBLEM OF MINORITIES, OR COMMUNAL REPRESENTATION IN INDIA by K. B. KRISHNA (George Allen & Unwin 15/-)

An interesting study of one of the most difficult and varied of India's problems awaiting solution. Whilst his approach to the subject is influenced by Marxist doctrine, many of his points are well-founded. British imperialist policy in the past is held responsible for much of the communal difficulty in present-day India; but it had a great deal of ready-made material to work upon, rooted in the history of the country. The book deserves careful consideration.

H. S. L. P.

DICTATORSHIP IN NEWFOUNDLAND by T. LODGE (Cassell 7/6)

In 1933 the finances of Newfoundland were in a hopeless position and the Dominion was faced with default. On a recommendation of a Royal Commission and with the agreement of the Newfoundland Government the democratic constitution was suspended and the Government placed in the hands of a Commission of six. Mr. Lodge was a member of this Commission of Government which was entrusted with a dictatorship over a British Dominion. His book is an interesting account of subsequent events. His view is that the experiment has failed, partly because of the attitude of the Dominions Office and partly because the Commission never formulated a consistent general policy for dealing with the economic facts. The book repays study by the student of Government and of imperialism.

L. W.

DENMARK A SOCIAL LABORATORY by P. MANNICHE (OUP 5/-)

This book was written by a Dane who has also an intimate knowledge of Britain, the founder of the International College at Elsinore.

Denmark is so largely an agricultural community, and so much associated with rural cooperation and Folk High Schools, that the wealth of its enterprise in social services, as revealed here, will surprise many. The first chapters bring up to date our knowledge of these more familiar themes; the later sections expound consumers' cooperation, social legislation, municipal undertakings, etc. The very complete health services system, established by the 'Steincke Act' of 1933, is particularly

W. H. M.

ORGANISED LABOUR IN FOUR CONTINENTS by H. A. MARQUAND

(Longman 15/-)

A very valuable survey of organised labour in thirteen countries, shown against the economic and social history of the post-war years. The value of the essays varies—those by Professor Marquand on Great Britain and by Professor Perlman on the USA being outstandingly good; those on Italy and Japan being very poor. On the whole, however, the standard is high. The mass of detail makes dull reading, but renders the book invaluable for reference.

J. T.

NOTES ON BOOKS

THE RACES OF CENTRAL EUROPE by T. M. MORANT (Allen and Unwin 5/-)

This scientific examination of racial differences shows the mixed character of the population both in Germany and the neighbouring countries. It proves that linguistic boundaries rarely accord with those of 'race'.
J. P.

GERMANY'S REVOLUTION OF DESTRUCTION by M. RAUSCHNING (Heinemann 10/6)

Rauschning is a man of rare political genius, and an embodiment of the spirit of conservatism. Revolution to him is but another word for Destruction, i.e., the Devil. His hatred of Nazism is intimate and boundless. A political writer of superb force and sensibility, he has shed more light on the essentials of Nazism than anybody else, excepting Hitler.

The description of the self-destruction of the German Conservatives who followed a policy of 'appeasement' towards Nazism; his realisation that the essence of Nazism lies in unlimited domination; his foresight of Hitler's lightning understanding with Stalin are so many instances of Rauschning's supreme political insight.

This book will rank as a classic of conservative thought. Rauschning's presentation of his subject is as penetrating as was that of Burke. His interpretation, which denies the social significance of the Nazi revolution outright, may prove to be as abysmally wrong as Burke's was.
I. P.

THE SMALLER DEMOCRACIES by E. D. SIMON (Gollancz 6/-)

Believing the strengthening of democracy to be one of the most important questions in the world, Sir Ernest Simon has made a study which is of great value to British Socialists.
J. P.

AN OUTLINE OF INTERNATIONAL PRICE THEORIES by CHI-YUEN WU (Routledge 15/-)

A very competent survey of the historical development of theories of international price relationships. There is, unfortunately, a failure to relate in any profound way the development of theory to economic development. The result is that Dr. Wu tells only half the story, and so misses the essential significance of much that he relates. Within its limits, however, the work could hardly be better done. It is a pity that so careful a study should be marred by many misprints.
J. T.

ROBBERY UNDER LAW by EVELYN WAUGH (Chapman and Hall 10/6)

A picture of contemporary Mexican problems from the angle of a Catholic and a Conservative. The book is a remarkable example of the effect that can be produced by telling half a story. The successive offers of the oil companies appear as evidence of willingness to compromise, not as assertions of the companies' right to choose which clauses of a law they would, or would not, obey. The Church's loss of her power and riches is recounted at length: not so the tale of how that power and those riches were acquired. In short, the history of Mexico, from her revolt against Spain to the present day, is presented as a history of almost uninterrupted decline. It needs only a Fascist revolution to complete the job; and that, in Mr. Waugh's view, as in that of so many other students of Mexican affairs, may well be the next chapter.
B. W.

CHRISTIANITY AND MORALS by EDWARD WESTERMARCK (Kegan Paul 21/-)

This is a long book immensely documented with quotations from the dogmas and heresies of seemingly innumerable philosophies and religions. Professor Westermarck is too good a humanist to ever be dull, or wholly impartial, and his account of the impact of Christian ethics on social and personal relationships over the past 2,000 years is written in a caustically aseptic style, while the series of anecdotes that illustrate his argument shew up the emotional moralists as fantastic, undignified and funny.
R. J. P.

